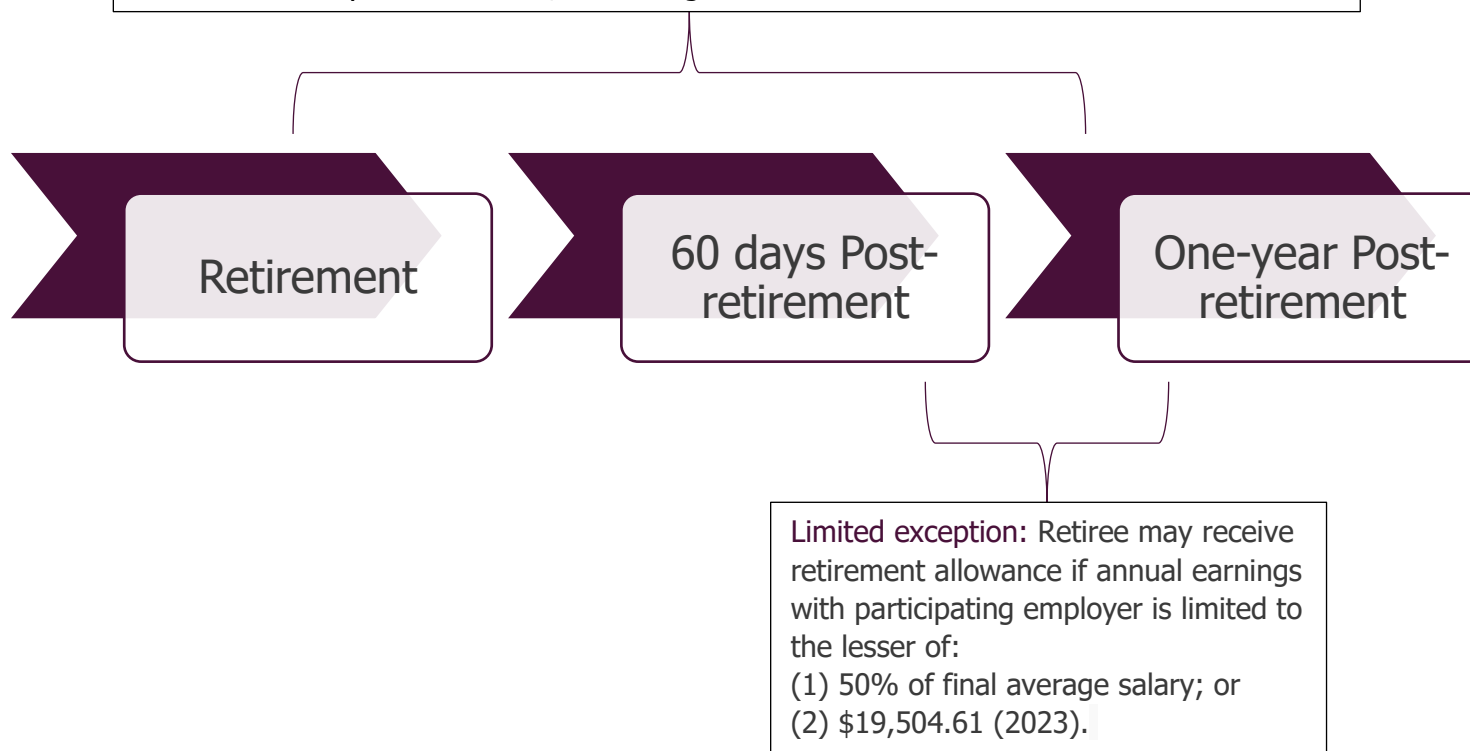




Post-retirement Reemployment

aka Separation Requirement, Cooling Off Period, "Double Dipping" | May 16, 2023

General Rule: If a retiree returns to work within one-year of retirement *with a participating employer*, retirement allowance is suspended, and the retiree is returned to active status → earns additional years of service, enhancing eventual retirement allowance.



After one year from retirement, a retiree may return to work with a participating employer and either:
(1) retain the retirement allowance; or
(2) suspend the retirement allowance and earn additional years of service to enhance the eventual retirement benefit.



Example A:

Jane is employed as a Tier I police officer. She retires after 20 years of service with a final average salary (FAS) of \$80,000. Jane's retirement allowance is:

$$\begin{array}{ccccccc} \text{Multiplier} & \times & \text{Years of Service} & \times & \text{FAS} & = & \text{Annual Retirement Allowance} \\ 2.5\% & \times & 20 & \times & \$80,000 & = & \mathbf{\$40,000} \end{array}$$

Jane returns to work as a police officer with a participating employer 180 days after retirement at a salary of \$40,000. Her retirement allowance is suspended until she retires again, but she earns years of service credit.

Had Jane waited one year, she would have had annual compensation of \$80,000 (\$40,000 retirement allowance + \$40,000 salary).

Example B:

James is employed as a Tier I teacher. He retires with 30 years of service and a final average salary (FAS) of \$60,000. James's retirement allowance is:

$$\begin{array}{ccccccc} \text{Multiplier} & \times & \text{Years of Service} & \times & \text{FAS} & = & \text{Annual Retirement Allowance} \\ 2\% & \times & 30 & \times & \$60,000 & = & \mathbf{\$36,000} \end{array}$$

Three months later, James returns to work teaching twice a week for a salary of \$18,000. James keeps his retirement allowance (\$36,000) plus earns \$18,000, giving him annual compensation of \$54,000.



Retirement Glossary of Terms:

- ***Final Average Salary (FAS)***
 - Tier I = average of retiree's highest three years of annual compensation
 - Tier II = average of retiree's highest five years of annual compensation
- ***Multiplier*** = percentage by which you multiply the number of years of service and FAS to determine a retirement allowance
 - Tier I Public Safety/Fire = 2.5%
 - Tier I Public Employees = 2%
 - Tier II Public Safety/Fire =
 - Years of service on or after July 1, 2011, and before January 1, 2020 = 1.5%
 - Years of service on or after January 1, 2020 = 2%
 - Tier II Public Employees = 1.5%
- ***Participating employer*** = an employer that contributes to a Utah Retirement Systems retirement plan and whose employees are eligible to receive a retirement allowance upon reaching eligibility for retirement
- ***Tier I*** = system in which any employee hired initially by a participating employer before July 1, 2011, participates
- ***Tier II*** = system in which any employee hired initially by a participating employer on or after July 1, 2011, participates
- ***Years of service*** = number of years employed with a participating employer